

Message Text

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AMEMBASSY WARSAW
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C O N F I D E N T I A L SECTION 1 OF 2 BERLIN 7260

E.O.11652: GDS
TAGS: PFOR, PINT, GE, GW
SUBJECT: SED POLITBURO REPORTS ON GDR ECONOMY AND RELATIONS
WITH FRG

SUMMARY

A HARSH TONE TOWARD THE FRG, ALONG WITH A HEIGHTENED
EMPHASIS ON IDEOLOGICAL RIGOR AND THE PARTY'S ROLE IN
ECONOMIC AFFAIRS, ARE THE PRINCIPAL THEMES OF AN SED
POLITBURO REPORT DELIVERED TO THE FOURTH PLENUM OF THE SED
CENTRAL COMMITTEE DECEMBER 8. INCREASED STRIDENCY TOWARD
THE FRG EVIDENT SINCE THE OCTOBER 17 VOLKSKAMMER ELECTIONS
CONTINUED IN THE REPORT WITH REFERENCES TO "REVANCHISM"
AND NEONAZISM" IN THE FRG, A PURPORTED GROWING FRG
CAMPAIGN AGAINST THE GDR, AND "INCREASED" FRG ATTEMPTS
TO INCORPORATE WEST BERLIN INTO THE FRG. AT THE SAME
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TIME, THE REPORT REITERATES GDR INTENTIONS TO

CONTINUE NORMALIZATION WITH THE FRG AND TO REACT POSITIVELY TO "REALISTIC" STEPS BY THE NEW BONN GOVERNMENT. ECONOMIC SECTIONS OF THE REPORT STRESS THE SED'S COMMITMENT TO CONTINUED IMPROVEMENT IN THE POPULATION'S LIVING STANDARD DESPITE HARVEST SHORTFALLS AND A MODERATION OF THE INDUSTRIAL GROWTH RATE. WHILE CONSTRUCTION AND RETAIL TRADE TURNOVER REPRESENT BRIGHT SPOTS, IT APPEARS THAT THE PLANNED GDR ECONOMIC GROWTH RATE FOR 1976 MAY NOT BE MET.

END SUMMARY

1. IN ITS FIRST MEETING SINCE THE OCTOBER GDR GOVERNMENT RESHUFFLE, THE SED CENTRAL COMMITTEE CONVENED ON DECEMBER 8 FOR A TWO-DAY SESSION DEALING PRIMARILY WITH THE CURRENT FIVE-YEAR PLAN. THE TRADITIONAL POLITBURO REPORT WAS DELIVERED BY CANDIDATE MEMBER HORST DOHLUS.

2. PRINCIPAL FOREIGN POLICY THEMES IN THE POLITBURO REPORT ARE THE BUCHAREST CONFERENCE AND GDR/FRG RELATIONS. THE REPORT EXPANDS UPON THE SECTIONS IN THE BUCHAREST DECLARATION DEALING WITH REVANCHISM IN THE WEST AND POLICIES TOWARD BERLIN. IT SPECIFICALLY REFERS TO THE FRG IN THIS CONTEXT, WHICH THE BUCHAREST DECLARATION AND INITIAL GDR COMMENT ON THE MEETING REFRAINED FROM DOING. DOHLUS' REPORT REPEATS THE BUCHAREST WORDING THAT PROPONENTS OF "MILITARISM" AND "REVANCHISM" USE INTERFERENCE IN THE INTERNAL AFFAIRS OF OTHER COUNTRIES AS A WEAPON AGAINST DETENTE. IT THEN DEPARTS FROM THE DECLARATION TO NOTE THAT THE INFLUENCE OF "REACTIONARY, MILITARISTIC, REVANCHIST, EVEN NEONAZI" FORCES IN THE FRG HAS INCREASED, AS SHOWN BY THE "SCANDALOUS" PARDON OF WEINHOLD (BERLIN 7222) WHICH HAD LED TO A "STORM OF PROTEST" IN THE GDR.

3. DOHLUS ALSO EMPLOYES TOUGHER WORDING ON BERLIN THAN IS CONTAINED IN THE BUCHAREST DOCUMENT. HE NOTES THAT THERE ARE "INCREASED" EFFORTS TO INCORPORATE WEST BERLIN INTO THE FRG AND THUS TO INCREASE TENSIONS AROUND THE CITY. THE COMMON EFFORTS OF THE WARSAW PACT

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COUNTRIES, HE CONTINUES, ARE DIRECTED TOWARD CONSOLIDATING THE POLITICAL STATUS OF WEST BERLIN, AS FIXED IN THE QUADRIPARTITE AGREEMENT, AND TO REPEL ALL ATTACKS ON THE QA THROUGH "SYNCHRONIZED MEASURES".

4. ON RELATIONS WITH THE FRG, THE POLITBURO REPORT NOTES A "GROWING AGITATION AND DEFAMATION CAMPAIGN" AGAINST THE GDR IN THE FRG AT ODDS WITH THE

HELSINKI AGREEMENT AND EXISTING TREATIES. WHILE THE REPORT EXPRESSES THE GDR'S CONTINUED INTENTION TO DEVELOP RELATIONS WITH THE FRG, PROGRESS IS LINKED TO THE EXTENT TO WHICH THE FRG GOVERNMENT BASES ITS POLICIES ON THE EXISTENCE OF "TWO SOVEREIGN GERMAN STATES JQROT OF ONE ANOTHER". THE GDR PROMISES TO REACT POSITIVELY TO ALL REALISTIC STEPSLY THE NEW BONN GOVERNMENT, BUT AS HONECKER REPORTEDLY DECLARED AT THE BUCHAREST CONFERENCE, THE GDR WILL COUNTER ALL FRG ATTEMPTS TO USE OBLIGATIONS ARISING FROM THE HELSINKI FINAL ACT AND EXISTING TREATIES FOR REVANCHIST PURPOSES.

5. WE NOTE A GENERALLY MORE STRIDENT IDEOLOGICAL TONE IN THIS POLITBURO REPORT THAN IN THE PAST. INF TERMS, THE REPORT XRESSES THE NEED FOR A "SOLID CLASS POSITION" AND ALLEGIANCE TO THE GDR. IT ISSUES A CALL TO ALL PARTY ORGANIZATIONS TO CONDUCT THE STRUGGLE AGAINST BOURGEOIS IDEOLOGY MORE "OFFENSIVELY" THAN BEFORE AND TO MAKE EVEN GREATER EFFORTS TO UNCOVER THE "WEAKNESSES, CRIMES, LACKOF PERSPECTIVE, AND HOSTILITY TO HUMANITY" OF THE CAPITALIST SYSTEM. IT SHOULD BE MADE CLEAR TO EACH GDR CITIZEN THAN AN IRRECONCILABLE "CLASS BARRICADE" EXISTS BETWEEN SOCIALISM AND CAPITALISM.

6. WITH PLANNING CHAIRMAN SCHUERER SLATED TO REPORT ON THE 1977 PLAN AND BUDGET THE FOLLOWING DAY, DOHLUS' COMMENTS ON ECONOMIC TOPICS WERE FAIRLY GENERAL IN CHARACTER. HE EMPHASIZED THE COMMITMENT OF THE LEADERSHIP TO CONTINUED IMPROVEMENT IN THE POPULATION'S LIVING STANDARD DESPITE HARVEST SHORTFALLS AND AN APPARENT MODERATION OF THE GROWTH RATE OF INDUSTRY. IN
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WHAT STRIKES US AS A CHANGE IN EMPHASIS FROM THE RECENT PAST, THE PARTY MEMBERSHIP IS EXHORTED TO ASSUME A GREATER ROLE IN ASSURING THE QUALITY AND QUANTITY OF ECONOMIC OUTPUT, AND IN A PARALLEL PASSAGE, DOHLUS REMARKS THAT IT IS "OBVIOUS" THAT GREATER ATTENTION MUST BE PAID BY PARTY ORGANIZATIONS AND FACTORY LEADERSHIPS TO THE INCULCATION IN WORKERS OF DISCIPLINE AND SENSE OF RESPONSIBILITY.

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7. THE FEW FIGURES PRESENTED FOR ECONOMIC PERFORMANCE THROUGH NOVEMBER 1976 SUGGEST THAT THE OVERALL GOAL OF 5.3 PERCENT GROWTH OF THE ECONOMY IN 1976 MAY NOT BE MET. GROWTH OF INDUSTRIAL PRODUCTION IN THE ELEVEN MONTH PERIOD IS GIVEN AS 5.6 PERCENT, BELOW THE PLAN GOAL OF 6.0 PERCENT, AND THUS OF NO HELP IN BRINGING UP AN OVERALL NATIONAL INCOME FIGURE THAT IS BOUND TO BE DEPRESSED BY AGRICULTURE. BRIGHT SPOTS IN THE ECONOMIC PICTURE WERE SUBSTANTIAL OVERFULFILLMENT OF THE CONSTRUCTION PLAN AND, DESPITE PREVIOUS INDICATIONS TO THE CONTRARY, FAIRLY STRONG GROWTH IN RETAIL TRADE TURNOVER, THE MAIN INDEX OF THE EAST GERMAN STANDARD OF LIVING. PRODUCTION COOPERATIVES, AND PRIVATE RETAIL

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ESTABLISHMENTS CAME IN FOR SOME WORDS OF ENCOURAGEMENT,

CONSISTENT WITH THE PRACTICE OF THE RECENT PAST.

8. PROBLEM AREAS THAT EMERGE IN DOHLUS' REMARKS ARE ENERGY AND TRANSPORT, IN BOTH OF WHICH THE POLITBURO IS SAID TO HAVE TAKEN A LIVELY INTEREST, PRODUCING DECISIONS AND MEASURES TO IMPROVE THE SITUATION. ANOTHER AREA SINGLED OUT FOR CRITICAL ATTENTION IS THE PERFORMANCE OF LARGE ENTERPRISES IN THE POWER AND CHEMICAL INDUSTRIES, WHICH ARE APPARENTLY EXPERIENCING COSTLY SHUTDOWNS AT AN UNACCEPTABLE RATE.

9. GUIDELINES FOR 1977 FOCUS ON THE DEVELOPMENT AND ABSORPTION OF TECHNICAL PROGRESS, WITH AN APPEAL TO PLANTS AND KOMBINATS TO EVALUATE THE TECHNICAL QUALITY OF THEIR OUTPUT MORE REALISTICALLY THAN IS PRESENTLY THE CASE. THE SECOND MAIN GUIDELINE EMBRACES THE PERENNIAL DIFFICULTIES ASSOCIATED WITH ACHIEVING FULL USE OF EXISTING CAPITAL PLANT, PLANNING OF INVESTMENT, AND BRINGING INVESTMENT PROJECTS TO COMPLETION. THE THIRD GUIDELINE, SIGNFICANTLY, IS AN EXHORTATION TO FULFILL EXPORT OBLIGATIONS IN ORDER THAT THE IMPORT NEEDS OF THE POPULATION AND THE ECONOMY MAY BE MET.

10. A SECTION AGRICULTURE LAYS OUT SOME OF THE HARD FACTS OF THIS YEAR'S POOR GROWING SEASON. DISCUSSING THE LIVESTOCK SECTOR, DOHLUS SAYS THE STATE PURCHASE PLAN FOR LIVESTOCK PRODUCTS WAS FULFILLED, WITH CURRENT FULFILLMENT OVER 100 PERCENT IN MEAT, MILK, AND EGGS. THE REPORT SUGGESTS THAT GDR AGRICULTURE IS GOING TO GREAT EFFORTS TO AVOID REDUCING HERDS, AND THAT FURTHER EXPANSION OF HERDS REMAINS A GOAL OF GDR AGRICULTURAL POLICY. IN CROP PRODUCTION, NTE NEWS WAS BAD. " STATE STATE PROCUREENT PLAN FOR FOOD AND SEED POTATOES WAS ON THE WHOLE FULFILLED," DOHLUS SAID, HIS PHRASEOLOGY SUGGESTING A MAJOR SHORTFALL IN POTATOES, MOST OF WHICH TRADITIONALLY GO TO FEED LIVESTOCK. STATE PROCUREMENT PLANS FOR SUGAR BEETS WERE ONLY 67.3 PERCENT FULFILLED AT THE END OF NOVEMBER, AND FOR VEGETABLES, 65.6 PERCENT, IMPLYING LARGE SHORTFALLS
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IN THESE AREAS.

11. COMMENT:
IN THIS FIRST POLITBURO REPORT SINCE THE GDR GOVERNMENT CHANGES THAT FOUND WILLI STOPH REPLACING HORST SINDERMANN AT THE HEAD OF THE COUNCIL OF MINISTERS, WE DETECT A MORE STRIDENT TONE THAN IN THE PAST ON IDEOLOGICAL QUESTIONS, ON THE PARTY'S ROLE IN ECONOMIC

AFFAIRS, AND ON THE FRG. WHILE THE BIERMANN CASE IS NOT REFERRED TO SPECIFICALLY, THE EMPHASIS ON IDEOLOGICAL RIGOR AND HEIGHTENED STRUGGLE WITH BOURGEOIS IDEOLOGY ECHOES THE SED JUSTIFICATION FOR OUSTING BIERMANN, NAMELY THAT HE ALLOWED HIS CRITICISM OF THE GDR TO BE USED BY THE "CLASS ENEMY" IN THE FRG.

12. THE POLITBURO REPORT CONTINUES A GENERALLY HARDER LINE ON THE FRG EVIDENT SINCE THE OCTOBER 17 VOLKSKAMMER ELECTIONS AND THE GDR GOVERNMENT CHANGES. THE TOUGH WORDING ON BERLIN REFERRING TO "INCREASED" FRG ATTEMPTS TO INCORPORATE WEST BERLIN AND "SYNCHRONIZE" MEASURES BY THE WARSAW PACT TO PROTECT THE QA APPEAR PARTICULARLY SIGNIFICANT. THE SED CONTINUES, HOWEVER, TO ISSUE GENERAL STATEMENTS IN SUPPORT OF CONTINUED NORMALIZATION WITH THE FRG. IN ECONOMICS, THE PARTY IS AT PAINS TO ASSURE THE POPULATION THAT POOR HARVESTS WILL NOT BE ALLOWED TO DEPRESS CONSUMPTION, WHILE EXHORTING WORKERS TO SQUEEZE EVER MORE OUT OF THE LIMITED RESOURCES AVAILABLE.
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